United Nations Conference on Trade and Development

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[illegible] session (second part)

[illegible]

held at the Palais des Nations, Geneva,
on Friday, 27 January 1970, at 3 p.m.

President: [illegible] (Sri Lanka)

[illegible]

Procedural matters (agenda item 1) (continued)

[illegible] of the agenda and organization of the work of the session (continued)

[illegible] of the report on credentials

[illegible] (agenda item 7) (continued)

[illegible] proposals for Committees (Conference resolution 45 (IV))

[illegible] of meetings for 1970

Pursuant to Conference resolution 24 (IV), review of actions concerning the [illegible] of developing countries, in particular the discerning of features which could provide guidance in operations relating to debt problems (agenda item 2) (continued)

Consideration of proposals made by developing countries and of other views expressed at the first session of the Intergovernmental Group of Experts on the External Indebtedness of Developing Countries as reported in document TD/B/C.6/6 (agenda item 5) (continued)

Consideration of report [under] 1497 (XLVI) relating to least developed, developing island and land-locked countries (agenda item 6) (continued)

Adoption of the report of the Board (agenda item 3)

Closure of the second part of the session

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GE.70-62006

PROCEDURAL MATTERS (agenda item 2) (continued)

(a) Adoption of the agenda and organization of the work of the session (continued)

1. The PRESIDENT drew attention to the fact that the Board, in adopting the provisional agenda (TD/B/606), had decided that the title of item 5 should be left open (TD/B/SR.487, paragraph 82). As no delegation or group of delegations had made any proposal on the subject, he would take it, in the absence of objection, that the Board wished to retain agenda item 5.

2. It was so decided.

3. The PRESIDENT suggested that, as the Intergovernmental Group of Experts on the External Indebtedness of Developing Countries had held a second session after the agenda had been drawn up, reference to that session should be made in item 7, which would accordingly read as follows: "Consideration of proposals made by developing countries and of other views expressed at the first and second sessions of the Intergovernmental Group of Experts on the External Indebtedness of Developing Countries as requested in resolutions 32/197 and 33/207 and decision ...".

4. It was so decided.

5. The PRESIDENT [illegible] that all the regional groups had been able to examine the question of [illegible] and that [illegible] the Board. [illegible] group co-ordinator suggested that [illegible] with the plenary meetings in order to minimize [illegible] the Board might wish [illegible] the first day of the third part of the session [illegible] consultation.

(b) Adoption of [illegible] (TD/B/606)

6. [illegible].

(TECHNICAL QUESTIONS (agenda item 3) (continued)

Integrated Programme for Commodities (resolution 93 (IV)) (TD/B/IPC/7, 8, 10)

7. Mr. SHOJAI (Iran), [illegible] Mr. [illegible] Intergovernmental Committee for the Integrated Programme for Commodities, [illegible] resolution 93 (IV), [illegible] resolution 93 (IV), the Secretary-General of UNCTAD in consultation with the Integrated Programme for Commodities [illegible] their work not later than February 1978, and that the [illegible] negotiating conference should be convened by the end of 1977.

17. With regard to the meeting of the Group of governmental experts to study the effects of the world inflationary phenomenon on the development process (General Assembly resolution 32/175) and the meeting of the Group of experts on finance for development (General Assembly resolution 32/177), the Secretary-General of UNCTAD would inform the Board, at the second part of its seventeenth session, of the dates on which he proposed to convene those meetings.

18. The Intergovernmental Working Group on Jute and Jute Products had decided, at its first session (16-20 January 1978), that the dates fixed for its second session (27 February - 3 March 1978) were too close to ensure adequate preparation and had requested that that session should be held from 10 to 14 April. Consultations in accordance with Board decision 140 (XVI) had taken place on the matter and agreement had been reached on the new dates proposed.

19. The first Preparatory Meeting on Tea (9-13 January 1978) having decided to set up an intergovernmental group of experts, the second Preparatory Meeting, which was to have taken place from 10 to 14 April, would be postponed to a later date.

20. The third Preparatory Meeting on Tropical Timber (23-27 January 1978) had recommended to the Ad hoc Intergovernmental Committee that the fourth meeting, originally scheduled for 17-21 April, should be postponed to a later date.

21. By its decision 143 (XVI), the Board had established a procedure of quarterly consultations on the calendar of UNCTAD meetings with the co-ordinators of the regional groups. The UNCTAD secretariat presumed that that procedure was suspended for the first quarter of 1978, in view of the present session of the Board.

22. The PRESIDENT suggested that the Board should take note of the changes made in the calendar of meetings for 1978.

23. It was so decided.

PURSUANT TO CONFERENCE RESOLUTION 94 (IV) REVIEW OF ACTION CONCERNING THE INDEBTEDNESS OF DEVELOPING COUNTRIES, IN PARTICULAR, THE DISCERNING OF FEATURES WHICH COULD PROVIDE GUIDANCE IN OPERATIONS RELATING TO DEBT PROBLEMS (agenda item 2) (TD/B/670, TD/B/685 and Add.1-3; TD/AC.2/9) (continued);

CONSIDERATION OF PROPOSALS MADE BY DEVELOPING COUNTRIES AND OF OTHER VIEWS EXPRESSED AT THE FIRST SESSION OF THE INTERGOVERNMENTAL GROUP OF EXPERTS ON THE EXTERNAL INDEBTEDNESS OF DEVELOPING COUNTRIES AS REPORTED IN DOCUMENT TD/B/670 (agenda item 3) (TD/B/685 and Add.1-3, UNCTAD/CA/1022) (continued); and

CONSIDERATION OF BOARD DECISION 149 (XVI) RELATING TO LEAST DEVELOPED, DEVELOPING ISLAND AND LAND-LOCKED COUNTRIES (agenda item 4) (continued)

24. Mrs. ATSARI-FARD (Iran), referring to the paper submitted by the United States of America on the external debt positions and prospects of developing countries non-members of the Organization of Petroleum-Exporting Countries (OPEC) (TD/B/685/Add.1, annex I:B.), said that she regretted its lack of objectivity.

For example, table 1 gave the value of net oil imports in dollars without indicating the quantity of oil or the number of barrels imported; also it did not indicate the prices of crude oil which was mainly exported by developing producing countries, and accordingly failed to show where the main profits had been accrued. Moreover, if the first three tables were compared, it became evident that in 1975 (in which year they had been at their peak), net oil imports had represented only 6.7 per cent of the total imports of the high-income developing countries.

25. In 1977, two United States economists belonging to a highly respectable financial institution had shown in a study that oil price adjustments had been responsible for only a small part of the increase in the debt of developing countries, which had been caused mainly by the recession in the industrial countries. Similarly, it had been widely recognized in the North-South dialogue that the economic difficulties of the 1970s had been due to world inflation, responsibility for which fell squarely on the shoulders of the industrial countries. The United States paper had therefore no other purpose than to shift the burden of responsibility to others and obscure the facts.

26. Which countries in fact fixed the prices of industrial and agricultural products arbitrarily? Which countries were responsible for runaway inflation, the deep recession and the grave economic and monetary mismanagement which had plunged the world economy into complete disarray? The answers to those questions were known to all, and yet the oil-producing countries were constantly blamed for what was merely the just exercise of their sovereignty over their natural resources.

27. The inflationary trends and recession in the industrial countries had started as far back as 1968 and oil prices had been adjusted precisely in order to meet the consequences of inflation. In 1975, that adjustment had contributed only insignificantly - not more than 2 per cent - to the rise in the cost of living, whereas the cost of goods purchased by oil-producing countries from the industrialized world had risen by an average of 35 per cent.

28. The industrial countries which today professed to be so concerned about the plight of the poorest countries had, at the height of their prosperity - which had been based mainly on cheap energy - always avoided providing appreciable assistance to the poor countries.

29. The oil-producing countries, in contrast, had done more than their share in that respect. She illustrated with figures the steep increase in concessional and non-concessional credit commitments and disbursements by OPEC countries to developing countries and multilateral institutions between 1973 and 1976, and said it should not be forgotten that, to assist the least developed third world countries, a number of oil-exporting countries, most of which were themselves in great need of financial resources, were borrowing on hard terms in international capital markets. How could it be forgotten that those countries were obliged to continue to exchange a real and non-renewable commodity such as petroleum for paper money whose value was subject to continual erosion.

30. Mr. CASTELLANOS (Venezuela) and Mr. OSEMEKEH (Nigeria) associated themselves with the statement made by the representative of Iran.

31. Mr. SHEMAYLOH (Iraq), supporting the points made by the representative of Iran, said that the economic crisis and the indebtedness of the developing countries were due, not to the increase in crude oil prices which, incidentally, had been less marked than for other products, but to the capitalist system and exploitation by developed countries coupled with inflation in those countries. His country rejected the idea that developing countries were responsible for that situation: the developed countries were to blame.

32. Mr. MEISSNER (United States of America) said that, while he understood the probable reason behind the representative of Iran's statement, his country could not subscribe to it.

33. The PRESIDENT said that the contact group set up to consider agenda items 2, 3 and 4 had not succeeded, despite its efforts, in carrying out its mandate, namely the preparation of a single document to serve as a basis for the work of the third part of the session. Two separate proposals had nevertheless been submitted to the contact group by the Group of 77 and by Group B.

34. Mr. DAHI (Pakistan) introduced the proposal of the Group of 77 (TD/B(S-IX)/CRP.2), and requested that it should be annexed to the report on the session.

35. Mr. FEVRE (France) introduced the proposal of Group B (TD/B(S-IX)/CRP.1) and likewise requested that it should be annexed to the report on the session.

36. The Board decided to accede to those requests.

ADOPTION OF THE REPORT OF THE BOARD (agenda item 9) (TD/B/L.495)

37. Mr. COSIO PASCAL (Mexico), Rapporteur, introducing the draft report on the second part of the ninth special session, said that it would be completed so as to reflect the proceedings of the present meeting and that, in accordance with the normal practice, drafting changes would be made in it where necessary.

Introduction

38. The introduction was adopted.

Chapter I

39. Mr. MEISSNER (United States of America) said that, for the sake of greater clarity, the wording of sub-paragraph 12 (c) should be amended by deleting, in the second line, the words "by the countries of Group B" and indicating at the end of the subparagraph that the proposal had been submitted to the Conference on International Economic Co-operation by the United States of America and the European Economic Community, and had been annexed to the report of the Group of Experts for reference.

40. Mr. COSIO PASCAL (Mexico), Rapporteur, said that paragraphs 33 and 34 had been redrafted in order better to reflect the position of Group D.

41. Chapter I, as amended, was adopted.

Chapter II

42. Chapter II was adopted.

43. The report of the Board on the second part of its ninth special session as a whole, was adopted.

CLOSURE OF THE SECOND PART OF THE SESSION

44. After an exchange of courtesies, the PRESIDENT declared the second part of the ninth special session closed.

The meeting rose at 9.10 p.m.